

# KENDALL STATE BANK

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September 6, 2005

Director Johns F. Carter  
FDIC San Francisco Regional Office  
25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, CA 94105

Dear Director Carter:

I am writing in regard to the pending Walmart deposit insurance application for it's Utah based ILC. I am the President/CEO of a small (30 million in assets) community bank in northeast Kansas.

I have experience what happens to a community when Walmart comes to town. At this time we do not have a Walmart in our 1100 population town, but three larger towns within 30 miles of us have. Walmart comes in and the de-stabilizing of the community begins. With Walmart's vast resources, it drives out the community grocery stores, pharmacies, hardware stores, automotive stores and so on. If Walmart is allowed to have deposit insurance, then there too will go the community banks. Then where would that leave our small communities? I know....dying and gone! (Well, except for the lone Walmart store.)

I think mixing banking and commerce is a bad public policy and it could jeopardize the impartial allocation of credit and create conflicts of interest. It is my understanding that Congress reaffirmed its opposition to the mixing of banking and commerce in the Gramm-Leach-Bliley Act. ".....image a Walmart Bank disfavoring small businesses that compete with Walmart and favoring Walmart suppliers in credit decisions, or requiring Walmart suppliers to bank with the Walmart Bank," writes ICBA in this week's Washington Weekly Report. I whole heartedly agree with this sentiment! With a branch of Walmart Bank in every store, it would be a dangerous and unprecedented concentration of economic power---also consider the "too big to fail" consequences---Walmart Bank goes under and so goes the entire US banking system.

I appreciate this opportunity to express my views and ask that the FDIC please reject the pending Walmart application for the good of the entire Nation's banking system and for the good of every small town in American. Thank you for your time and consideration of my thoughts.

Sincerely,

*Jayne L. Coleman*  
Jayne L. Coleman  
President/CEO



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